

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 7426

BILL NUMBER: HB 1253

NOTE PREPARED: Jan 6, 2007

BILL AMENDED:

SUBJECT: Employment of Illegal Aliens.

FIRST AUTHOR: Rep. Tincher

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
☐ **FEDERAL**

IMPACT: State

Summary of Legislation: This bill requires the Attorney General to petition a court to impose a civil penalty on an employer that knowingly or intentionally hires or employs an illegal alien. The bill provides that the civil penalty is: (1) not more than \$5,000 for each illegal alien employed for a first violation; and (2) not more than \$25,000 for each illegal alien employed for a second or subsequent violation. The bill also provides that if a penalty has been imposed against a person within the previous five years, the person is not eligible for any state or local economic development incentives.

Effective Date: July 1, 2007.

Explanation of State Expenditures: This bill will increase the administrative costs of the Attorney General's Office (AG) by requiring the AG to petition a court to impose penalties on an employer that knowingly or intentionally hires or employs an illegal alien. The amount of the increase in administrative costs is indeterminable and will ultimately depend upon the number of petitions filed by the AG.

The funds and resources required above could be supplied through a variety of sources, including the following: (1) existing staff and resources not currently being used to capacity; (2) existing staff and resources currently being used in another program; (3) authorized, but vacant, staff positions, including those positions that would need to be reclassified; (4) funds that, otherwise, would be reverted; or (5) new appropriations. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions. The AG reverted \$34,631 to the General Fund in FY 2006, and according to the November 7, 2006, state staffing table the AG has approximately 24 vacant positions.

Explanation of State Revenues: This bill will increase state revenues to the extent that any employer is required to pay a civil penalty as set forth in the bill. Any civil penalties paid would be deposited in the state General Fund. The bill requires the AG to petition a court to require payment of a civil penalty of not more than \$5,000 from an employer that knowingly or intentionally hires or employs an illegal alien. The civil penalty is \$25,000 for a second or subsequent violation.

This bill will not have an impact on court fees since, under the bill, the AG will be filing these cases and is exempted by statute from paying the fees.

If the aforementioned civil penalty has been imposed against a person during the previous five years, the person is not eligible for any state or local economic development incentives, including: a state tax liability credit; a property tax deduction; an enterprise zone incentive or benefit; a loan, loan guarantee, grant, distribution, contract payment, incentive, or any other benefit from or payment of expenses by the Indiana Finance Authority, the Indiana Economic Development Corporation, or any other state agency or body corporate and politic; an incentive or other benefit under any of the following tax increment finance statutes: airport development zones, redevelopment commissions, redevelopment authorities, redevelopment of areas in Marion County, and military base reuse authorities.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Attorney General.

Local Agencies Affected:

Information Sources:

Fiscal Analyst: Adam Brown, 317-232-9854.